

STATEMENTS

GRI

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Message from the Executive Chairman of the Board



Lord Barker of Battle,
Executive Chairman of the Board
of En+ Group

Dear stakeholders,

A strong commitment to a progressive sustainability agenda and a fierce determination to further drive down the carbon emissions of our Group is central to the aims and priorities of the new independent Board of En+ Group. We are proud of our leading position on these vital issues and proud of our considerable achievements to date. However we are also critically aware that there is much more to do and the challenges ahead are significant. It is in that spirit that I am pleased to present our first Sustainability Report as a London listed company to both shareholders and all interested stakeholders alike.

This Report aims to provide a dramatically improved level of transparency on the Group's governance, environmental and social focus. It will enable our stakeholders to benchmark our progress year on year. Publishing this Report is consistent with our business strategy, which strongly emphasises sustainable development as both intrinsic to our growth and integral to our future.

Our corporate strategies going forward will also include Key Performance Indicators (KPIs) for management (including me!) linked to the sustainability performance of the Company and our progress in further reducing carbon emissions.

This disclosure is consistent with, but goes much further than, the robust commitments on independent governance that we made to the US Treasury when sanctions were lifted on the Group earlier this year.

This Report also builds on the major governance reforms that have further strengthened our business and opened the Group up to new opportunities and new markets. These measures further enhance our ability to help lead our sector in the global transition to a low carbon economy, allowing us to face up to the responsibility we have to help fight dangerous man-made climate change.

But this focus is not a passing fad or a board box ticking exercise. Sustainability is core to what we do as a business. We are the world's largest producer of low carbon aluminium, a material central to the drive for a low carbon global future. It is fully recyclable, and already used extensively in the electric vehicle, aerospace and packaging industries as well as in the development of more energy efficient buildings; all essential building blocks of the low carbon transition.

In 2017, we launched a new market leading brand for low carbon aluminium – ALLOW with a verified low carbon footprint. ALLOW's carbon footprint is lower than 4 t CO₂e/t of primary aluminium produced at smelters (Scope 1 and 2) which is among the best levels in the world's aluminium industry as verified by KPMG.

Overall, the aluminium industry is currently responsible for approximately 1% of global GHG emissions according to Carbon Trust estimates. But the carbon footprint of our aluminium production is more than three times below the industry average

"Sustainability is core to what we do as a business. We are the world's largest producer of low carbon aluminium, a material central to the drive for a low carbon global future".

of 12.3 tonnes of CO₂¹ per tonne of aluminium and substantially lower than the typical Chinese produced aluminium which dominates global production. But we recognise that lowest in our sector is not good enough. Our new goal is to lead the industry by example and reduce the carbon content of our products even further.

In Russia, the heart of our operations, we greatly welcome the recent decision by the government to ratify the Paris Agreements and to keep driving the necessary changes to deliver against COP21 targets. It is critical that the global metals and mining industry gets behind this initiative.

However such ambitious progress within En+ will depend most of all on the talent and commitment of our people. Our employees are the driving force of the Group. We invest considerably into the development of our over 98,000 employees across five continents to support their personal growth and their shared success in the business. The health and safety of every employee is our number one priority and our HSE Committee has been considerably enhanced and strengthened by the new Board. It now meets more regularly to review our performance and processes, with world class benchmarks as the norm and a determination to drive up our performance against key health and safety indicators across all of our operations. Through developing a self-enhancing health and safety culture across our global business, we aim to significantly improve our performance in this area.

Growing our business in a responsible way also means enhancing our social and environmental contribution. From Siberia to Africa, from Ireland to Jamaica, we have a global geographical footprint touching diverse communities and ecosystems. Our day-to-day challenge is to understand and address their evolving needs, minimise any negative impact from our operations, where ever possible repair, safeguard and improve the environment we operate in, while still ensuring we generate the returns necessary to continue to invest for a sustainable future.

Our leadership in the development of new technologies is key to our sustainability progress. Innovation is at the centre of everything we do. It is through tireless innovation that we will continue to reduce the environmental impact of our operations and the carbon footprint of our products. Through a scientific approach to evaluating our natural surroundings we will intensify our efforts to sustain and enhance ecosystems, and support our local communities.

As part of our governance reform at the beginning of 2019 we appointed a majority of independent, experienced and high-calibre non-executive directors to the Group's Board. The new Board is working well with senior management and the diversity of talent and experience is a huge strength. However I would particularly like to draw your attention to the role of Joan MacNaughton CB Hon FEI, a highly influential figure in international energy and climate policy. After taking up her appointment as an independent director, she also assumed the role of Chair of

En+ Group's re-invigorated Health, Safety and Environment Committee. As current Chair of The Climate Group and of the Advisory Board of the New Energy Coalition of Europe and with a background in both the private and public sectors, her exceptional experience is invaluable. Ms MacNaughton will help us set an ambitious, but achievable, sustainability course for the business. I would like to take this opportunity to thank her for the invaluable contribution that she has already made to the Group.

Given the nature of our business and the scale of the Board's ambition, En+ Group is determined to play a meaningful role in helping drive a change in business attitudes towards climate change. The Climate crisis is real but so are the solutions. We see the potential in our Group to be a meaningful part of that solution, but there is a long road ahead. This will be a challenging journey but I look forward to sharing our progress with all of our stakeholders.

Lord Barker of Battle,
Executive Chairman of the Board

¹ Smelters' direct emissions (scope 1) and indirect energy emissions (scope 2).

Our sustainability approach

As a global producer of aluminium and renewable power, we are committed to integrating the sustainable development principles and values into our daily operations.

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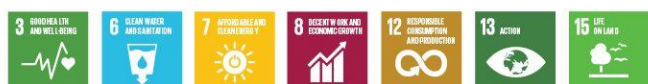
key SDGs

HSE Committee

established in
February 2019

IN THIS SECTION

- Strategy and sustainability management
- Our challenges and alignment with the SDGs
- Identification of material topics
- Stakeholder engagement
- Association membership



SUSTAINABILITY REPORT 2018

OUR SUSTAINABILITY APPROACH

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Strategy and sustainability management

As part of En+ Group's strategy, we aim to achieve vertical integration and self-sufficiency across the entire aluminium value chain (energy, raw materials and finished products), maintain and expand the Company's high margin and low-risk production capacity, preserve its strong financial position and boost overall shareholder returns by paying out sustainable and attractive dividends.

The Group's objectives are the following¹:

- Optimise the electricity supply-demand balance by integrating the Metals and Power segments;
- Focus on cost control below inflation;
- Reinforce the Group's leadership in the global aluminium industry by raising production efficiency and operating margins;
- Actively explore power industry development opportunities;
- Ensure continuous improvement of the Group's environmental performance;
- Deleverage and support solid dividend payments through strong free cash flow generation;

- Operate sustainably;
- Constantly introduce new technologies to the Group through research and development projects.

En+ Group's top sustainable development priorities are:

- Economic efficiency (please refer to pp. 19-31, About En+ Group);
- Responsibility for employees (please refer to pp. 91-105, Employees and pp. 107-117, Health and Safety);
- Environmental protection (please refer to pp. 119-139, Environmental protection);
- Contribution to local communities development (please refer to pp. 141-149, Local community development).

Employees' involvement in sustainable development

Staff category	Function
Top management	<ul style="list-style-type: none"> ● Define sustainability targets and goals for the Group; ● Seek new growth opportunities through sustainability initiatives; ● Ensure that corporate sustainability objectives are met.
Management	<ul style="list-style-type: none"> ● Implement sustainability initiatives; ● Adopt concepts of sustainability development; ● Build a sustainable workforce; ● Provide guidance and consultation on sustainability activities; ● Ensure compliance with all applicable laws and regulations; ● Collect feedback and analyse it.
Employees	<ul style="list-style-type: none"> ● Take an active part in implementing sustainability initiatives; ● Provide feedback on sustainability issues; ● Operate in line with all applicable laws and regulations.

¹ For more detailed information please refer to pp.14-15, Annual Report 2018.

Our challenges and alignment with the SDGs

Due to significant changes that have taken place within the Company's management bodies as part of the Barker Plan, the strategies for key focus areas (personnel, employee training, labour protection and industrial safety and climate) are still at various stages of development.

A Company-wide corporate strategy is currently being overhauled according to the new Board's instructions.

The Group strives to implement the precautionary principle for all the operations on En+ Group's assets by supporting the UN Global Compact – the Metals segment represented by RUSAL has been a participant since 2002, while the Group joined this initiative in 2019.

En+ Group recognises the many challenges facing the world to ensure that, as a global community, we are able to combat climate change, preserve our ecosystems, provide a healthy environment and make communities sustainable for generations to come.

As it explores new opportunities to increase the sustainability of its activities, En+ faces various challenges in meeting sustainable development targets. The Company is aware that its Metals and Power segments are both resource and energy intensive, and takes this into consideration when developing sustainability objectives.

En+ aims to address the issues and challenges that are essential to its stakeholders. These

challenges concern the Company's day-to-day business operations, especially with regards to employees and the Company's social impact, as well as general potential economic threats. The main challenges are summarised below and further details on how En+ manages these challenges can be found throughout this Report.




The United Nations Sustainable Development Goals provide a framework for governments, companies, civil society organisations and communities to help them drive genuine improvements for the future. We are currently working towards our contribution to seven of these vital goals to manage the identified challenges.

En+ Group recognises the many challenges facing the world to ensure that we are able to combat climate change, preserve our ecosystems, provide a healthy environment and make communities sustainable.



OUR SUSTAINABILITY APPROACH

Environmental impact of operations

UN SDG	Challenge	Our commitment	Our focus areas	Disclosure in the Report
	Climate change	En+ Group's primary sustainability goal is to decrease the 'carbon footprint' of its metal and energy production facilities, thereby contributing to the aims of the Paris Agreement to limit the rise of global temperatures.	<ul style="list-style-type: none"> Corporate carbon footprint – GHG emissions 	Environmental protection, Climate change
	Air quality		<ul style="list-style-type: none"> Total emissions of pollutants Nitrogen and sulphur oxides Gaseous and solid fluorine 	Environmental protection, Air emissions
	Energy	We are working to ensure an ongoing supply of renewable (emission-free) energy to power our aluminium plants and to provide the residents and businesses of Siberia with low-cost, sustainable energy.	<ul style="list-style-type: none"> Total energy consumption Energy saving technologies Hydroelectric power stations Use of other renewable energy sources Coal-fired generation 	Environmental protection, Energy
	Water and waste water management	Our goal is to preserve the quality of water in Lake Baikal and the rivers that flow into and out of it.	<ul style="list-style-type: none"> Total water consumption Total fresh water consumption during production Impact on natural water bodies and freshwater ecosystems Treatment of used water and waste discharge 	Environmental protection, Water resources conservation

Like for many other organisations, En+ Group's activities and sustainability initiatives do not fully align with all the aspects of any given Sustainable Development Goal (SDG). The UN goals are inter-related and, as a consequence, we are working towards some of them in different ways – for example through changes to our operations and by implementing community improvement projects.

We address our challenges in three broad areas:

- Minimising the impact of our operations and protecting the environment;
- Improving the lives and well-being of our employees and the communities that we affect;
- Developing and upholding world-class standards in governance.

In each of these areas, we have set ourselves stretching goals.

UN SDG	Challenge	Our commitment	Our focus areas	Disclosure in the Report
	Waste and safe tailings	We are committed to reducing all waste by cutting back on what we use, and recycling and reusing wherever possible.	<ul style="list-style-type: none"> ● Emergency preparedness ● Overburden ● Tailings disposal and storage ● Closure and rehabilitation of tailings ● Monitoring and risk analysis 	Environmental protection, Waste and safe tailings management
 	Biodiversity	<p>The Company's goal is to develop programs for land restoration and biodiversity conservation in the regions where the Company is present.</p> <p>En+ Group focuses on the controlled, rational and effective use of natural resources.</p>	<ul style="list-style-type: none"> ● Disturbed land ● Rehabilitation ● Waste disposal landfills ● Protected areas ● Biodiversity conservation ● Impact on natural habitats 	Environmental protection, Land rehabilitation, Biodiversity

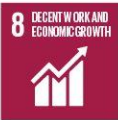
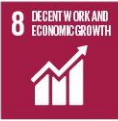
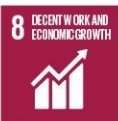
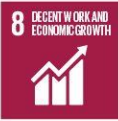
En+ Group focuses on the controlled, rational and effective use of natural resources.

OUR SUSTAINABILITY APPROACH

Our people and communities

UN SDG	Challenge	Our commitment	Our focus areas	Disclosure in the Report
 3 GOOD HEALTH AND WELL-BEING	Health and safety	At En+ Group, we are focused on the well-being of our people and have implemented a number of programs to maintain and improve the health of our workers and local communities.	<ul style="list-style-type: none"> Occupational H&S management system Monitoring compliance with occupational H&S Occupational H&S training Preventative measures Information and advice on occupational H&S Occupational diseases Incident investigation Knowledge and expertise management 	Health and safety
	Local communities	We are working to create a positive environment for local communities and cooperate with them.	<ul style="list-style-type: none"> Social development programs Ensuring the wellbeing of local communities Interaction with local communities Minimising the potential impact of operations on local communities Supporting communities after project completion Complaints procedure National and regional socio-economic development planning 	Local community development
 8 DECENT WORK AND ECONOMIC GROWTH	Employee management and engagement	En+ Group is focused on increasing the economic productivity of the areas where it operates, to reduce unemployment levels and to provide safe, fulfilling careers for its people.	<ul style="list-style-type: none"> Employee training Programs to upgrade employee skills Employee performance measurement systems Salaries Employee incentive system Fair recruitment Employee turnover Social support Diversity 	Employees

Our governance

UN SDG	Challenge	Our commitment	Our focus areas	Disclosure in the Report
 8 DECENT WORK AND ECONOMIC GROWTH	Economic results	We are committed to ensure sustainable economic performance to support future success and progress, including social and environmental aspects.	<ul style="list-style-type: none"> ● Direct economic value generated ● Indirect economic value generated ● Economic opportunities for stakeholders ● Operational efficiency 	Performance management, Scientific and technological development, Local community development, Additional information
 8 DECENT WORK AND ECONOMIC GROWTH	Business ethics	We focus on implementing best business practices and ethics.	<ul style="list-style-type: none"> ● Company values ● Non-discrimination and equal opportunities ● Combatting anti-competitive practices ● Corporate Code of Conduct ● Right for trade unions, collective bargaining & freedom of association ● Respect for local cultures 	Internal control and risk management, Ethics and integrity
 8 DECENT WORK AND ECONOMIC GROWTH	Compliance	We are committed to ensuring compliance in all areas.	<ul style="list-style-type: none"> ● Policies and procedures to ensure regulatory compliance ● Improving employees' legal awareness ● Helping employees fulfil regulatory compliance responsibilities ● Social compliance ● Environmental compliance ● Anti-corruption ● Internal control system 	Internal control and risk management, Employees, Environmental protection
 8 DECENT WORK AND ECONOMIC GROWTH	Corporate governance	We are working to implement corporate governance practices that support the achievement of sustainable development principles.	<ul style="list-style-type: none"> ● Transparency ● Institutional strengthening ● Diversity in governance bodies ● Governance structure ● Governance documents ● Strategic approach ● Role of the Board of Directors in sustainability performance 	Corporate governance, Our sustainability approach

OUR SUSTAINABILITY APPROACH

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Identification of material topics

In order to identify and evaluate the material topics that the Company has the most significant impact on and that substantively influences decisions of stakeholders, the following processes were conducted:

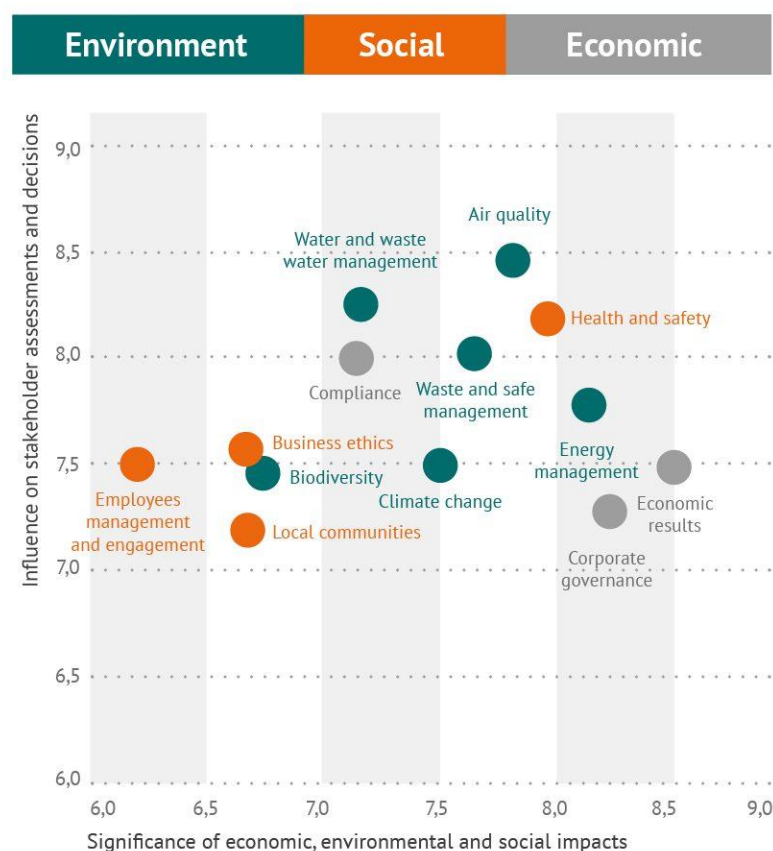
1. A complete list of topics to be covered in the Report was compiled and assessed based on:

- International standards and recommendations for reporting (including GRI Standards, Sustainability Accounting Standards Board (SASB);
- Industry benchmark analysis;
- Review of publicly available open sources and global trends;
- Interviews with the Company employees responsible for ESG issues and stakeholders engagement.

2. Sustainable development topics were ranked by:

- Surveying of external and internal stakeholders;
- Reviewing the material topics identified by international and Russian metals & mining and power companies;
- Factoring in topics recognised as material by industry associations (including the ASI Standard);
- Analysis of the key sustainable development rating systems (including RobecoSAM);
- Review by executive officers of the Group.

Materiality matrix



3. Thirteen topics were recognised as material and were collated in a materiality matrix.

Our key stakeholders contributed to material topics identification process by filling in an online form. Results of this survey were later used by the Group for analysis. Based on the responses, 13 topics were identified as material. We are thankful to all the stakeholders who took part and hope for further cooperation.

The Company determines, lists and ranks material topics in line with its strategy, risk assessments and management foresights using the scale from 1 to 10, where 1 stands for "the topic does not appear material/significant to the respondent" and 10 – "the topic is very significant".

The matrix represents the key material topics. Depending on the survey results, a significant topic may be in different areas of importance; the most significant topics are located in the upper right part of the matrix. In order to weight the results for the Metals and the Power segments, the employee breakdown is used.

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Stakeholder engagement

En+ Group strives to retain an effective sustainable development system and build a mutually beneficial partnership with our stakeholders. The Company's communication and engagement with stakeholders is based on the principles of respect, business cooperation and delivery on commitments.

Stakeholder groups were identified and selected based on their significance to En+ Group, the frequency of their involvement and their impact on the Company's processes. The key stakeholder significance criterion is the influence stakeholders and the Group have on each other.

To ensure that all groups are covered by our stakeholder engagement approach and can give feedback, En+ Group uses various communication channels, including annual reports, financial results presentations, the media, official website, corporate newspapers, face-to-face communication with employees, customers, suppliers, investors and local community leaders, and a corporate hotline¹.

Making recommendations to the Board regarding possible participation, co-operation and consultation on HSE issues with governments, NGOs, other companies

and/or employee organisations is part of the consultation process between stakeholders and the highest governance body.

The key principles of stakeholder engagement are set out in the Company's internal corporate documents. These include the Conflicts of Interest Policy, Code of Conduct, Code of Corporate Ethics, Code of Ethical Standards, Anti-Bribery and Corruption Policy.

Key stakeholder groups

Stakeholder groups	Stakeholder engagement
Clients and suppliers	Long-term trade relations, transparent pricing, improvement of customer service and quality of the supplied products/services, equal participation in competitive tenders, timely fulfilment of mutual obligations, anti-corruption activities, compliance with ethical standards.
Employees and labour unions	Workplace safety, improvement of social and living conditions, improvement of the remuneration system, the social partnership system, education and training.
Local communities	Employment, community programs and social initiatives, sponsoring sports and cultural events.
National and regional authorities	Strategic development, construction of public facilities, compliance with all applicable regulations including environmental protection legislation, occupational health and safety, fulfilment of tax obligations.
Non-Governmental Organisation	Development of joint solutions and documents that provide increased transparency, consumer confidence in the industry, preparation and implementation of initiatives, development of programs aimed at improving the industry environment.
Shareholders, investors and analysts	Improving financial performance, strategy implementation measures, the setting of key performance indicators, corporate governance, risk management system.

¹ For more detailed information please refer to pp. 49-51, Ethics and integrity.

OUR SUSTAINABILITY APPROACH

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Association membership

En+ Group is a strategic partner of the World Economic Forum (“WEF”)

En+ Group has become a strategic and industry affiliation partner of the World Economic Forum (“WEF”), the International Organization for Public-Private Cooperation that supports for the UN Climate Action Summit’s (UNCAS) Industry Transition track and has launched its Mission Possible campaign to give industries a platform to showcase what they are doing to ensure long-term emission cuts.

Various aluminium associations have been at the forefront of industry-wide efforts to combat climate change, improve production processes and increase recycling. However, we still need to do much more if we are going to meet our climate targets. This includes reducing the environmental impact of aluminium production and cutting GHG emissions in line with the Paris Agreement and the latest IPCC findings.

En+ Group recognises the importance of collaboration and partnership – with peers, associations and global bodies – to achieve our own sustainability objectives and to drive real change across the sectors in which we operate. We are active partners of local and international industry organisations and work closely with representatives of the Russian government, Russian business, academia and the civil society. En+ Group is a regular participant in international conferences, including the UN forums on Climate Change and Sustainable Development.

En+ Group and RUSAL, which represents the Group’s Metals segment, have joined other Russian companies in the Climate Partnership of Russia, an initiative that encourages companies to launch low carbon production processes and promote a greener economy.

En+ Group is studying worldwide efforts to combat environmental pollution in the following areas: environmental legislative initiatives, emissions trading systems and enforcement of environmental regulation.

En+ Group interacts with the embassies of different countries on the issues relating to low-carbon economy and energy efficiency, also within the framework of climate-related events organised by the Climate Partnership of Russia.

En+ Group joined the Energy Transitions Commission (“ETC”)

In July 2019, as a part of its strategy to lead a global shift towards low carbon aluminium, En+ Group joined the Energy Transitions Commission (“ETC”).

The ETC is an alliance of global leaders from the business world, NGOs and academia working to provide decisionmakers with research, analytics and policy insights, and encourages public and private stakeholders to advocate ambitious energy transition strategies.

By joining the ETC, En+ Group aims to draw on the international expertise of its members to identify new ways it can work towards its greenhouse gas reduction targets. It will also use its experience from ongoing sustainability programs to support research and initiatives that drive a global shift towards low carbon materials.

En+ Group Ltd**En+ calls on LME to introduce emissions disclosure rules**

Russian metals group urges London Metal Exchange to force producers to disclose carbon footprint



Producing aluminium requires vast amounts of power to transform its key raw material into finished metal © Bloomberg

Neil Hume, Natural Resources Editor SEPTEMBER 22 2019

En+, the hydropower and metals group formerly controlled by Russian oligarch Oleg Deripaska, has called on the London Metal Exchange to join the fight against global warming by introducing new disclosure rules on emissions.

Greg Barker, the group's executive chairman, said the world's largest market for industrial metals should force aluminium producers that use the exchange to reveal the carbon footprint of their metal.

"As a first step to meaningful carbon reduction, every company needs to be far more transparent in disclosing the carbon content of the aluminium it produces," Lord Barker, a former UK energy and climate change minister, [wrote in the Financial Times](#) on the eve of the UN Climate Summit in New York.

Aluminium has been identified by the UN as one of the seven "hard to abate sectors" where moves to reduce emissions is crucial.

The call from the world's biggest aluminium producer outside of China adds to the pressure the 142-year-old exchange is facing to ensure that the metals traded on it, including zinc and copper, are responsibly sourced.

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The LME earlier this year announced rules requiring all metals on the exchange to be responsibly sourced from 2022. Although they target the likes of child labour, they carry less onerous environmental standards that have been criticised by campaign groups including Amnesty International.

Lord Barker has been touting the environmental credentials of En+ since the company, which controls Rusal, was freed from [crippling US sanctions](#) at the start of the year after Mr Deripaska relinquished control of the company.

It signed a deal in April to supply the largest new aluminium plant built in the US in nearly four decades with low-carbon aluminium. The company is also working on new smelter technology that it says will create a completely emissions-free version of the metal. It has also put its coal-fired power stations in Russia up for sale.

While producing aluminium is energy-intensive given the vast amounts of power required to transform its key raw material, alumina, into finished metal, Rusal claims its products are low carbon because most of its smelters are hydro powered.

LME said it had been engaging with industry participants over the question of environmental standards on its metals. The exchange recently set up a working group to examine the issue, including low-carbon aluminium and the need for greater transparency.

The LME said: “While we recognise there is not yet a global consensus on environmental sustainability in the aluminium sector, we are engaging with industry participants in bringing together existing initiatives and are committed to providing the necessary support to drive this crucial issue forward.”

The push by En+ for carbon disclosure was criticised by rival producers, who said the Russian company was simply trying to carve out a special niche for its metal so it could charge a premium tied to its environmental credentials.

“The sustainability debate is much wider than just carbon emissions,” said one of the producers. “It has to take into account human rights and water usage.”

The move by En+ underlines how metal and mining companies are facing increasing pressure to prove they can play in a shift to a low-carbon economy. Rusal says aluminium will be a key building block of the low-carbon economy, used in electric vehicles and sustainable packaging.

If the LME forces greater transparency, it will be a “vital first step in the creation of a new asset class here in London — [low-carbon aluminium](#)”, said Lord Barker.

Simon Webber, lead portfolio manager at Schroders, said a shift to lower carbon metal would only be helped by greater transparency. “The emission profile of aluminium production is huge and very disparate. It can be produced with four or five tonnes of Co2 or 20 — and more than half the industry does it with 20. We should know that,” he said.

Alf Barrios, chief executive of Rio Tinto’s aluminium division, which launched its own low-carbon aluminium brand in 2016, said: “We have helped to pioneer responsible production standards through the Aluminium Stewardship Initiative that cover not only carbon emissions but a broad range of sustainability measures along the value chain.”

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9,037 views | Apr 14, 2019, 09:51pm

Rusal Invests \$200M in America's First Low-Carbon Environmentally Conscious Aluminum Mill



Moira Vetter Contributor ⓘ

Entrepreneurs

I write about how entrepreneurs raise capital and manage money.

Manufacturers can't get enough high-quality, light-weight aluminum these days. Add to that the goal of lowest-carbon environmental impact, and there were no suppliers up to the task until today.

This morning, [Braidy Industries](#) announced a \$200 Million strategic investment by global aluminum leader [Rusal](#) which dramatically changes the pace and scale of what's to come.

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Lord Barker and Craig Bouchard, Co-Chairmen of the Board of the Braidy Atlas Aluminum Mill BRAIDY INDUSTRIES

More than a financial transaction, this investment and partnership is a commitment to shared vision that revolutionary innovation can achieve what some thought impossible combine the **largest supplier of the highest quality prime aluminum** with the **lowest cost and most environmentally friendly aluminum mill**.

Today In: [Leadership](#)



[Lord Barker](#), the Chairman of [En+ Group](#), Rusal's parent company calls this focus on environmental responsibility, value for money, and positive community impact the "trinity of scale." Barker who sat in the House of Lords of the UK Parliament, and serve

as the Minister of State for Energy and Climate Change, has long led the charge for economically viable environmental responsibility.

It's no surprise Braidy Industries caught Barker's eye, as they are the first aluminum mill to secure a [“minor contributing source” air permit](#) from the Federal EPA, and have plans for carbon emissions targets 20% lower than the competitive field.

Barker says, “I am amazed by the sheer scale of what Braidy Industries is building. Not only will the mill be the 13th largest building on earth, but it's been designed with insurgent technologies [from [Veloxint](#) and [NanoAl](#)], in a future proof way that will enable the plant to win global transportation OEM customers.”

At the scale Braidy plans to produce, Barker says, “Rusal was the only aluminum producer in the world that could supply both the quality and quantity of prime aluminum to meet Braidy's requirements.”

The transportation sector is one of the leading buyers of high-quality, light-weight, low carbon aluminum, and Barker said that Braidy Industries' location, within 250 miles of half of major U.S. automotive production—many of whom have pre-committed hundreds of millions of dollars in orders—was a further indicator of the business's economic viability.

Barker said, “We're proud to be the cornerstone investor in this important project.” As part of the investment, Barker will now serve as Co-Chairman of the Board of the [Braid Atlas mill](#), alongside Craig Bouchard, the company's founder and Braidy Industries CE and Chairman of the Board.

Transforming the world of aluminum from an unexpected place— Appalachia in the heart of Kentucky

It's easy to get caught up in the excitement of global investors and advancing the worldwide aluminum industry, but Bouchard is most excited about changing the world right here at home in [Ashland Kentucky](#).

What started as an idea for an innovative business, has become a way of life and a plan for a community where his team has set down roots. Bouchard worked with economic

developers, strategic partners, and politicians on both sides of the aisle, not only to start an aluminum company but to renew Ashland in the model of the mill-towns common in the last century.

He says, “I want Ashland to be a community spilling over with high-paying jobs and a broad range of home values, schools, healthcare, and a safe place where young people want to stay and raise their families.”

I grew up near Hershey Pennsylvania and knew the legend of [Milton Hershey](#) as a business person, an innovator and the creator of a “company town,” complete with all the things that made the citizens at home. Everyone revered Hershey, but he has 125 years of history behind him that Bouchard currently lacks.

Some people just don’t believe that businessmen with plenty of means—but not all the means to get an aluminum mill running—have those “Hershey” kind of good intentions anymore. To counter their concerns, Bouchard has taken to Facebook to have his say directly with the people. He’s gone to local schools to talk about the impact Braidy Industries can have in transforming Ashland, turning the tide of opioid addiction, and revitalizing an area that needs not only dreamers but doers.

Today—this advanced manufacturing concern from Kentucky—goes worldwide

[Governor Matt Bevin](#), in partnership with entrepreneurs like Bouchard, is working to make Kentucky the seat of advanced manufacturing in America. He’s made significant progress in a few short years bringing nearly \$19.4 Billion in investments to the state and helping to create more than 51,412 jobs.

Bevin worked tirelessly to bring Braidy Industries to Kentucky and won unheard of and unanimous bi-partisan support for the State to make a strategic equity investment in Braidy Industries.

Unlike the now [imploded New York City Amazon deal](#), where a corporation gets enormous incentives in the form of grants and gifts—with no exchange of shares or shareholder value—Kentucky will be a direct beneficiary in Braidy’s success.

According to a recently completed economic impact study done by economist [Dr. James V. Koch](#), “The Braidy Atlas mill will contribute \$2.8 Billion to the Commonwealth of Kentucky and \$1.54 Billion to Eastern Kentucky by the year 2021. In addition, over 18,025 new jobs will be created as a result, amounting to the generation of 31,000 incremental job years for the Commonwealth.”

Bouchard says, “When Braidy Industries prevails—with much thanks to Governor Bevin’s leadership—the citizens of Kentucky will not only have abundant job opportunities, they will have an asset to show for their tax dollars. That’s a good thing.”

Go big and do it at home

Bouchard, whom I met in August of 2018, proved to be much more than a “man with a plan.” He is a man with success (and failure and then success) in the high stakes world of banking, private equity, metals, manufacturing expansions, buyouts, hostile takeovers, and the coalition-building it takes to do both big things and good things.

That experience has helped Bouchard not only make his dream a reality but is helping the concerned citizens, the doubters, the media and many hopeful people that needed a win, see this tremendous undertaking come to fruition.

With today’s strategic investment of \$200 Million from Rusal, other major investors in the wings, and Braidy Industries’ plan to go public by the end of 2019, the future of Ashland and the face of global aluminum is about to change forever—for the good.

(And the local Kentucky media said in not so whispered voices, “It’s about time.”)

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Opinion **The Commodities Note**

Aluminium industry must commit to rapid carbon reductions

Super-lightweight metal is an essential building block of low-carbon economy

Lord Barker of Battle SEPTEMBER 22 2019

Today the world will come together for the first [UN Climate Summit](#) in four years to take stock since the historic Paris climate conference in 2015. Real progress in the next decade is vital if the world is to have any chance of averting the worst impacts of man-made climate change.

However, at this UN meeting, it won't just be individual nation states that will be called upon to act. The private sector will also be urged to commit to rapid carbon reductions and shift to a low-carbon model of growth. In particular, the UN has identified seven of the largest "hard to abate" industries where worldwide action is particularly crucial. In addition to the obvious sectors, such as aviation, chemicals and oil and gas, aluminium will also be under the spotlight.

This super-lightweight metal is an essential building block of the low-carbon economy. Aluminium is crucial for electric vehicles, sustainable packaging and the low-carbon homes of the future. However, not all aluminium is made in the same way. Much of global production, which is created using coal-fired electricity, can emit up to 22 tonnes of carbon while making just one tonne of aluminium.

By contrast, [producers such as En+ Group](#), thanks to its use of clean hydropower, can create the same aluminium using less than 4 tonnes of carbon. This has to be the future for the whole industry: to drive down that carbon footprint further.

Achieving clear, science-based targets for carbon reduction requires accurate and reliable information; information that can be readily understood by everyone from institutional investors to end consumers.

As a first step to meaningful carbon reduction, every company in the sector needs to be far more transparent in disclosing the carbon content of the aluminium it produces. This vital information should be clearly stated in any sale on the London Metal Exchange. The industry needs to stop dragging its heels and embrace the transparency and disclosure of the carbon footprint of the metals as the first step towards fully pricing carbon pollution and creating a truly low-carbon economy.

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That is why En+ is calling on the LME to fully disclose the carbon content of every trade on the Exchange, a vital first step in the creation of a new global asset class in London — [Low Carbon Aluminium](#).

The world has woken up to the threat of climate change. Friday's climate strikes demonstrated that people everywhere are demanding urgent action not just from their governments but from big business too. The good news is that solutions are there to be grasped; but industry must respond now.

Lord Barker of Battle is the executive chairman of EN+ and a former minister of state for energy and climate change

The Commodities Note is an online commentary on the industry from the Financial Times

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Lord Gregory Barker of Battle, the Executive Chairman of EN+, the hydro power and metals group, and the world's biggest aluminum producer outside of China, is encouraging the London Metals Exchange to introduce new disclosure rules on omissions that will require aluminum producers to reveal the carbon footprint of their metal. In 2017, EN+ created a new brand of low carbon aluminum, ALLOW, which has one of the lowest carbon footprints in the industry as verified by KPMG. Earlier this year EN+ partnered with Braidy Industries to build the first low carbon aluminum mill in the US. Most recently, in July 2019, EN+ joined the Energy Transition Commission, an industry group focused on economic growth and climate action.

Lord Barker will be in town this Friday, October 18, and requests a meeting to discuss this initiative and EN+'s other global sustainability initiatives.

If your schedule permits, Lord Barker would very much appreciate spending 30 minutes with you to describe the above in more detail. Currently, he is available Friday morning and, early afternoon.

A Mercury Public Affairs representative will follow up by phone with you today. Thank you in advance for your consideration.

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